GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2155
ANSWERED ON:05.12.2014
EXPORT PROMOTION CAPITAL GOODS SCHEME H .
Laguri Smt. Sakuntala

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has implemented Export Promotion Capital Goods (EPCG) Scheme to increase exports;

(b) if so, the details thereof indicating the commitments which an exporters has to fulfill for being covered under the scheme;

(c) the facilities available to an exporter under the scheme;

(d) whether some exporters are not fulfilling the commitments but enjoying the facilities; and

(e) if so, the details of such defaulters during the last three years along with the action taken against them? ANSWER

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a) to (c) Yes, Madam. EPCG Scheme permits import of capital goods at 0% customs duty with an obligation to export 6 times of the duty saved amount in 6 years. The details of the Scheme are available in Chapter-5 of the Foreign Trade Policy and Handbook of Procedure Vol.I notified vide Notification No.1 dated 18.04.2013 and Public Notice No.1 dated 18.04.2013 respectively which are also available on the website of Directorate General of Foreign Trade(http://dgft.gov.in).

(d) & (e) Authorizations under the EPCG Scheme are issued with specific conditions as laid down in the Policy/Procedure in this respect. EPCG authorization holders are required to fulfil the export obligation as stipulated in the Policy. In case the EPCG authorization holder fails to fulfil prescribed export obligation, he is required to get the case regularized in terms of para 5.14 of the Handbook of Procedure Vol.I, on payment of customs duty along with applicable interest, in proportion to the unfulfilled export obligation. In case of default, authorization holder is liable for penal action under Foreign Trade (D&R) Act, 1992 (as amended), Orders and Rules made thereunder. During the last three years, there have been 1461 cases where authorization holders have been declared defaulter and placed under Denied Entity List (DEL). 139 cases have been adjudicated under the FT (D&R) Act, 1992 (as amended).